

LOAN MONITORING SERVICES

SBA PRIVACY IMPACT ASSESSMENT

SECTION V

PRIVACY QUESTIONS

Data in the System

1. Generally describe the information to be used in the system in each of the following categories: Citizen, Client/Partner, Employee, Other.

The Loan Monitoring Services (**LMS**) provide reports and other information derived from SBA's proprietary loan accounting system (**LAS**), vendor's risk assessment system, and information made public by regulatory agencies. Data regarding Citizens who are borrowers (**Borrowers**) under SBA's guaranteed loan programs includes historical and current information regarding their loan if they have an outstanding principal balance. LAS Borrower data is limited to only that information necessary to approve and service the small business loan. Data regarding our lending Partners, the financial institutions who originate the guaranteed loans, (**Banks**) may include information reported to their respective regulatory agencies that is made public by those agencies.

2. What are the sources of the information in the system?

a. What SBA files and databases are used?

No SBA files or databases are used. The vendor provides and maintains the database. It is partially populated by a download of Borrower information from SBA's Loan Accounting System.

b. What Federal Agencies are providing data for use in the system?

The database is partially populated with public information obtained from Federal agencies that regulate the Banks.

c. What State and Local Agencies are providing data for use in the system?

The database is partially populated with public information obtained from State agencies that regulate the Banks.

d. What other third party sources will data be collected from?

The vendor who provides the services also populates the database with their own proprietary risk assessment records for Borrowers.

e. What information will be collected from the client/partner/employee?

No information is collected. The database is populated from information previously collected in the loan application process, by Bank regulators, and developed by the services vendor.

3. a. How will data collected from sources other than SBA records and the partner or client be verified for accuracy?

Agencies that regulate Banks are the only other source of data. They collect that data from the Bank.

b. How will data be checked for completeness?

The vendor provides data integrity protocol in their upload and database population routines. SBA compares the database to its LAS after it is populated.

c. Is the data current? How do you know?

The data is current on a monthly or quarterly basis. SBA provides the vendor a download of Borrower data from LAS on a monthly basis. Bank data is updated quarterly by the respective regulatory agencies. The vendor's risk assessment records are populated quarterly.

4. Are the data elements described in detail and documented? If yes, what is the name of the document?

Elements are described in detail by the respective providers. Borrower data is described in SBA's System Manuals. Bank data is described in the regulator's instructions for the Thrift Financial Report, Consolidated Reports of Condition and Income for a Bank with Domestic and Foreign Offices, and NCUA's Financial Performance Report.

Access to the Data

1. Who will have access to the data in the system (Users, Managers, System Administrators, Developers, Other)?

The primary user will be the SBA Office of Lender Oversight (OLO). The Office of the Chief Financial Officer and the Office of Financial Assistance will also be users. System Administrators will be SBA staff and vendor staff. The vendor has the only development staff.

2. How is access to the data by a user determined? Are criteria, procedures, controls, and responsibilities regarding access documented?

Access is authorized by SBA's Associate Administrator for Lender Oversight. This person serves as the project (investment) manager during development and acceptance testing. Users who have access to Borrower information on the vendor's database have previously been authorized to use the LAS which is the source of the vendor's records.

3. Will users have access to all data on the system or will the users' access be restricted? Explain.

At this time there are four levels of access. Access is granted after evaluating what the users

need to perform their duties and an appropriate level is assigned by the SBA System Administrator.

4. What controls are in place to prevent the misuse (e.g. browsing) of data by those having access?

Access levels provide various limitations on what can be viewed. Records are “read only”.

5. a. Do other systems share data or have access to data in this system? If yes, explain.
b. Who will be responsible for protecting the privacy rights of the citizens, partners, clients, and employees affected by the interface?

There is no interface.

6. a. Will other agencies share data or have access to data in this system (International, Federal, State, Local, Other)?
b. How will the data be used by the Agency?
c. Who is responsible for assuring proper use of the data?
d. How will the system ensure that agencies only get the information they are entitled to under 13 CFR 102.20?

No other agencies have access to this data.

Attributes of the Data

1. Is the use of the data both relevant and necessary to the purpose for which the system is being designed?

Yes. LMS is a Congressionally mandated program. The services are provided by a highly respected vendor who operates proprietary, worldwide risk assessment tools. These tools are industry standards.

2. a. Will the system derive new data or create previously unavailable data about an individual through aggregation from the information collected? No.
b. Will the new data be placed in the individual’s record (citizen, client, partner, or employee)? Not Applicable.

- c. Can the system make determinations about citizens, clients, partners, or employees that would not be possible without the new data? There is no new data.
d. How will the new data be verified for relevance and accuracy? Not Applicable.

3. a. If data is being consolidated, what controls are in place to protect the data from unauthorized access or use?

SBA is the sole user of this database. Access is provided only through the SBA System Administrator. Standard government security access protocol will be used. Download files from LAS are encrypted.

- b. If processes are being consolidated, will the proper controls remain to protect the data and prevent unauthorized access? Explain.

No processes are consolidated. This database is not a system of record and it is a “read-only” environment.

4. a. How will the data be retrieved? Can it be retrieved by personal identifier? Explain.
Data is retrieved by search or sort routines. These routines are standards that are designed to group records by Bank. Data is retrieved by use of the SBA Bank Identification Number. Data may also be retrieved by ad hoc sorts of loan characteristics such as use of proceeds or delivery method.

b. What are the potential effects on the due process rights of citizens, clients, partners, and employees of:

- consolidation and linkage of files and systems;
- derivation of data;
- accelerated information processing and decision making;
- use of new technologies.

How are those effects to be mitigated?

Information provided by the LMS is used only at the Bank level. We regularly assess the SBA related performance of our lending partners through on-site and off-site processes. Written reports are provided to the Bank upon completion of a review cycle. Banks are already familiar with the type of data used and significant findings are discussed with the Bank and included in the written report.

Maintenance of Administrative Controls

1. a. Explain how the system and its use will ensure equitable treatment of citizens, clients, partners, and employees.

Information provided by the LMS is used only at the Bank (partner) level. Analysis and reports of performance are standard and applied equally to all Banks. Banks are already familiar with the type of data used and significant findings are discussed with the Bank and included in a written report.

b. If the system is operated in more than one site, how will consistent use of the system and data be maintained in all sites?

The database is maintained by the vendor at one site. Access to that database by SBA personnel is controlled by the SBA system administrator via user IDs and passwords.

c. Explain any possibility of disparate treatment of individuals or groups.

Information provided by the LMS is used only at the Bank (partner) level. The database is only related to the business itself (Borrower) and to the Bank. No individual or group information is populated.

2. a. What are the retention periods of data in this system?

Current information is retained in the vendor’s database as long as there is a principal balance outstanding. Monthly backup databases are archived by SBA for historical analytics.

b. What are the procedures for eliminating the data at the end of the retention period? Where

are the procedures documented?

The database is repopulated monthly. Each new population download from SBA contains only those loans with an outstanding balance.

- c. While the data is retained in the system, what are the requirements for determining if the data is still sufficiently accurate, relevant, timely, and complete to ensure fairness in making determinations?

The data is refreshed monthly. Each new population download from SBA contains only those loans with an outstanding balance.

3. a. Is the system using technologies in ways that the SBA has not previously employed (e.g., Caller-ID)? No.
b. How does the use of this technology affect citizen/client/partner/employee privacy? N/A
4. a. Will this system provide the capability to identify, locate, and monitor individuals? If yes, explain. No.
b. Will this system provide the capability to identify, locate, and monitor groups of people? If yes, explain. No.
c. What controls will be used to prevent unauthorized monitoring? The LAS contains information to allow grouping in order to comply with mandatory reporting of progress in meeting Administration and public policy goals. This information is not downloaded into the vendor's database used in LMS. There is no individual or group information to monitor.
5. a. Under which Systems of Record notice (SOR) does the system operate? Provide number and name.
This database is not a system of record. It is populated by download from a system of record, the LAS, and is "read-only".
b. If the system is being modified, will the SOR require amendment or revision? Explain.
Not Applicable